

SENATE EDUCATION COMMITTEE SUBSTITUTE FOR  
SENATE BILL 214

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

AN ACT

RELATING TO THE PRACTICE OF MEDICINE; AMENDING THE HEALTH  
PROFESSIONAL LOAN REPAYMENT ACT TO PROVIDE FOR LOANS TO HEALTH  
PROFESSIONALS SPECIALIZING IN CERTAIN FIELDS WHO AGREE TO  
PRACTICE IN NEW MEXICO; PROVIDING TAX EXEMPTIONS FOR CERTAIN  
STIPENDS AND AWARDS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted  
to read:

"[NEW MATERIAL] EXEMPTION-- STIPENDS RECEIVED PURSUANT TO  
THE HEALTH SERVICE CORPS ACT.--Stipends received from the New  
Mexico health service corps pursuant to the Health Service  
Corps Act and awards received pursuant to the Health  
Professional Loan Repayment Act are exempt from taxation."

Section 2. A new section of the Gross Receipts and

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1 Compensating Tax Act is enacted to read:

2 " [NEW MATERIAL] EXEMPTION-- GROSS RECEIPTS-- STIPENDS FROM  
3 HEALTH SERVICE CORPS. -- Exempted from the gross receipts tax are  
4 the receipts of a health professional received as a stipend  
5 pursuant to the Health Service Corps Act and awards received  
6 pursuant to the Health Professional Loan Repayment Act. "

7 Section 3. Section 21-1-26.8 NMSA 1978 (being Laws 1995,  
8 Chapter 144, Section 1) is amended to read:

9 "21-1-26.8. HEALTH PROFESSION ADVISORY COMMITTEE--  
10 CREATED-- DUTIES. --

11 A. The "health profession advisory committee" is  
12 created to advise the commission on higher education on matters  
13 relating to the administration of student loan programs for  
14 health professionals. ~~[The health profession advisory  
15 committee replaces the medical shortage area committee.]~~

16 B. The health profession advisory committee shall  
17 be composed of a representative of the department of health; a  
18 representative of the New Mexico health policy commission; and  
19 representatives of public post-secondary health and medical  
20 training programs, underserved health and medical area  
21 providers, recruiting and placement organizations and  
22 professional health and medical associations. Members shall be  
23 appointed by the commission on higher education pursuant to the  
24 policies and procedures of the commission.

25 C. The health profession advisory committee shall:

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1 (1) designate health professional shortage  
2 areas and acute shortage areas of the state;

3 (2) designate those fields of specialization  
4 within the practice of medicine in which the state is suffering  
5 an acute shortage;

6 [~~(2)~~] (3) make recommendations to the  
7 commission on higher education on applicants for medical,  
8 osteopathic, nursing and allied health loan for service  
9 programs and loan repayment programs; and

10 [~~(3)~~] (4) give advice or other assistance to  
11 the commission as requested. "

12 Section 4. Section 21-22D-3 NMSA 1978 (being Laws 1995,  
13 Chapter 144, Section 18) is amended to read:

14 "21-22D-3. DEFINITIONS.--As used in the Health  
15 Professional Loan Repayment Act:

16 A. "commission" means the commission on higher  
17 education;

18 B. "health professional" means a [~~primary care~~]  
19 physician, optometrist, podiatrist, physician's assistant,  
20 dentist, nurse, member of an allied health profession as  
21 defined in the Allied Health Student Loan for Service Act or a  
22 licensed or certified health professional as determined by the  
23 commission; and

24 C. "loan" means a grant of money to defray the  
25 costs incidental to a health education, under a contract

. 144225. 2

1 between the federal government or a commercial lender and a  
2 health professional, requiring either repayment of principal  
3 and interest or repayment in services. "

4 Section 5. Section 21-22D-4 NMSA 1978 (being Laws 1995,  
5 Chapter 144, Section 19) is amended to read:

6 "21-22D-4. COMMISSION POWERS AND DUTIES-- PARTICIPANT  
7 ELIGIBILITY-- QUALIFICATIONS. --

8 A. The commission may grant an award to repay loans  
9 obtained for health [~~educational~~] education expenses of a  
10 health professional upon such terms and conditions as may be  
11 imposed by regulations of the commission.

12 B. Applicants shall be licensed or certified to  
13 practice in New Mexico as health professionals and shall be  
14 bona fide citizens and residents of the United States and of  
15 New Mexico. Applicants shall declare their intent to practice  
16 as health professionals within designated health professional  
17 shortage and acute shortage areas of the state.

18 C. The commission shall make a full and careful  
19 investigation of the ability, character and qualifications of  
20 each applicant and determine fitness to become a health  
21 professional in the health professional loan repayment program.

22 D. The commission shall assist selected health  
23 professionals in locating practice positions in designated  
24 health professional shortage areas and acute shortage areas. "

25 Section 6. APPROPRIATION.-- Five hundred thousand dollars

1 (\$500,000) is appropriated from the general fund to the health  
2 professional loan repayment fund for expenditure in fiscal year  
3 2004 and subsequent fiscal years for the purpose of making  
4 loans pursuant to the Health Professional Loan Repayment Act.  
5 Any unexpended or unencumbered balance remaining at the end of  
6 a fiscal year shall not revert to the general fund.